

Matters Concerning Controlling Shareholders, etc.

The following notification covers matters concerning controlling shareholders of the Company's parent company, Benesse Holdings, Inc.

1. Trade name, etc. of the parent company, controlling shareholders (excluding the parent company), and other affiliated companies

(Current as of February 28, 2022)

Name	Attribute	Share of voting rights (%)	Exchanges, etc. where stock certificates issued by the parent company, etc. are listed
Benesse Holdings, Inc.	Parent company	61.94	Tokyo Stock Exchange Prime Market

Note: Figures for shares of voting rights are rounded down to the lowest place value shown.

2. Position of parent company and other listed companies within the corporate group; relationship between other listed companies and parent company, etc.

Benesse Holdings, Inc. is the parent company of the Company and holds 61.94% of voting rights for the Company. The Company belongs to the Benesse Group ("the Group" below), which is centered around Benesse Holdings, Inc., and is engaged in the following businesses. Furthermore, on February 14, 2022, we sold off all shares we held in Berlitz Corporation, the consolidated subsidiary of Benesse Holdings, Inc. that comprised Berlitz operations.

[Education Business in Japan]

Off-campus learning business (remote teaching business targeting elementary to high school, prep and school business), learning business for schools.

[Kids & Family Business]

Remote teaching business targeting pre-school children in areas such as Japan, China, and Taiwan, remote sales business, and magazine publishing.

[Nursing Care and Daycare Business]

Assisted living services business (senior citizen homes and residential management); at-home care services business; nurse training business; nurse job matching business; children's daycare and afterschool childcare management business; etc.

Within the Group, we are a Cram School and Classroom Business Company. By further enhancing Group coordination on marketing activities, service development, and other activities through the use of the brand power that stems from the Group's position with Benesse as an education provider, other business resources, economies of scale, etc., the Company endeavors to raise added value as well as increase enterprise value.

As of May 26, 2022, two members of the Company's seven Directors and four Audit & Supervisory Board Members are also executives of the parent company, etc. (one a Director, one an Audit & Supervisory Board Member).

The Board of Directors is structured to strike an overall balance between appropriate, agile decision-making on one side and supervision of execution on the other. In addition, efforts are taken to cultivate an atmosphere conducive to free-spirited, constructive discussion and exchange of opinions among the entire Board of Directors, including issues raised by independent outside directors.

(Concurrent positions of executives)

(Current of May 26, 2022)

Position	Name	Key positions at parent company, etc. or Group companies	Reason for appointment
Director	Kenji Yamakawa	Senior Managing Executive Officer, Benesse Holdings, Inc. Director, Vice President, Executive Officer, General Manager of the Cram School and Classroom Business Company, Benesse Corporation Director, UP Inc. Director, Tokyo Educational Institute Co., Ltd. Director, Ochanomizu Seminar Co., Ltd. Director, Benesse BE studio Inc. Director, Benesse i-Career Co., Ltd. Director, Classi Corp.	To further deepen Group collaboration through his wealth of experience and knowledge during his many years in the education industry
Audit & Supervisory Board Member	Naoto Saito	Standing Audit & Supervisory Board Member, Benesse Holdings, Inc. Audit & Supervisory Board Member, Benesse Corporation Audit & Supervisory Board Member, Benesse InfoShell Co., Ltd.	To enhance the Company's auditing through his wide-ranging experience and broad view of business management, finance, and accounting in the Benesse Group

The Company sees the above relationships between the Company on one side and the parent company and Group companies on the other as exerting no effect on the Company's independent business activity and managerial decisions. As a listed company, the Company is responsible for itself and conducts business independently of the parent company.

3. Matters concerning transactions with controlling shareholders, etc.

The Company has formed a capital and business alliance with the parent company. Matters having a significant impact on the management of the Company are handled appropriately in accordance with the agreement.

With regard to transactions with the parent company and other Group companies, transactions that are significant in terms of ensuring independence from the Group are deliberated upon thoroughly by the Board of Directors, including multiple independent outside directors, to discuss the conditions of the transaction and the method for its finalization before finalizing the transaction.

For transactions with related parties, the Company stipulates criteria to determine, in light of the nature, significance, and otherwise of the transaction, whether or not the related party has a special interest. When making a decision, if the Board of Directors determines--through a review conducted according to predetermined criteria--that a party has a special interest, then the party

cannot join in the decision by the Board.

Additionally, prior to decisions on important transactions and actions that conflict with the interests of the parent company and minority shareholders, these decisions are deliberated and evaluated by a committee of independent outside directors comprised of independent outside directors and outside Audit & Supervisory Board Members.

4. Execution of protective measures for minority shareholders when conducting transactions or the like with controlling shareholders, etc.

The Company carries out business based on the principle of ensuring the independence of business administration and transactions in its relationships with the parent company and other Group companies. The conditions of transactions with the parent company and other Group companies are determined in a rational manner upon deliberation that follows appropriate procedures and takes into account such matters as recent market rates and market prices.

5. Matters requiring the proper understanding/judgement of company information by other investors

There are no applicable matters.